

Message Text

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PAGE 01 LIMA 11247 031412Z

ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 ABF-01 FS-01 SP-02 USIA-06

AID-05 NSC-05 TRSE-00 SS-15 STR-05 OMB-01 CEA-01

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02

OPIC-03 LAB-04 SIL-01 /081 W

-----059050 031414Z /46

R 302115Z DEC 77

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 8092

LIMITED OFFICIAL USE LIMA 11247

E. O. 11652: N/A

TAGS: EFIN, PE

SUBJECT: EXCHANGE RATE MOVEMENT, DECEMBER 22-29

REF: A. LIMA 10924, B. LIMA 11063

1. FOREIGN EXCHANGE OPERATIONS DURING THE PERIOD DECEMBER 22-29 HAVE CONTINUED THE PRIOR WEEK'S TREND OF MILD APPRECIATION OF THE SOL AND A CONVERGENCE OF OFFICIAL AND COMMERICAL BANK RATES.

2. REPORTED BELOW ARE EXCHANGE RATE MOVEMENTS SINCE THURSDAY, DECEMBER 22. COLUMN A REPORTS THE OFFICIAL BUYING RATE AVERAGED BY THE SUPERINTENDENCY OF BANKING AND INSURANCE BASED ON DAILY OPERATIONS. COLUMN B REPORTS THE EMBASSY'S "PREVAILING" RATE WHICH IS BASED ON THREE DAILY COMMERICAL BANK BIDS AND DOES NOT CHANGE UNLESS THE EXCHANGE RATE MOVEMENT IS MORE THAN ONE PERCENT. COLUMN C REPORTS THE BUYING RATE AVAILABLE FOR DOLLAR ACCOMMODATION EXCHANGE FOR U.S. MISSION PERSONNEL (DIRECTLY FROM BANCO CONTIENTAL).

	A	B	C
DEC 22	132.53	131.50	132.50
DEC 23	132.65	131.50	132.50

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DEC 27 132.44 131.50 132.00

DEC 28 131.14 130.00 131.00

DEC 29 130.04 130.00 130.00

3. BANKS WERE CLOSED DECEMBER 26 WHICH WAS DECLARED DAY OF NATIONAL MOURNING FOR DEATH OF EX-PRESIDENT VELASCO. BANKS ARE ALSO CLOSED DECEMBER

30 FOR YEAR-END BOOKEEPING PURPOSES.

4. THE BUYING QUOTATION MADE TO THE EMBASSY BY BANK OF AMERICA HAS DECREASED FROM S/.132 ON DECEMBER 22 TO S/.129 ON DECEMBER 29. THE CITIBANK BUYING RATE QUOTATION HAS DROPPED FROM S/.130 ON DECEMBER 22 TO S/.127 ON DECEMBER 29. THE BANCO CONTINENTAL BUYING QUOTATION HAS ALSO DECLINED FROM S/.132.50 ON DECEMBER 22 TO S/.130 ON DECEMBER 29.

5. COMMENT: THE ALMOST COMPLETE CONVERGENCE OF THE OFFICIAL AND COMMERCIAL BANK EXCHANGE RATES REACHED BY DECEMBER 29 SEEMS TO CONFIRM REPORTS (WHICH WE NOTED IN REF B) THAT THE COMMERICAL BANKS HAVE ENTERED INTO AN UNDERSTANDING TO TRY TO MODERATE THE EXCHANGE RATE MOVEMENT.
SHLAUDEMAM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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ISecure: 1
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Litigation Codes:
Litigation History:
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Previous Handling Restrictions: n/a
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Review Release Date: n/a
Review Release Event: n/a
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SAS ID: 133730
Secure: OPEN
Status: NATIVE
Subject: EXCHANGE RATE MOVEMENT, DECEMBER 22-29
TAGS: EFIN, PE
To: STATE
Type: TE
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